

PBA HOLDINGS BHD.
REGISTRATION NO. 200001012513 (515119-U)
STOCK NAME: PBA

Type : ANNOUNCEMENT

Subject : TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) RECURRENT RELATED PARTY TRANSACTIONS

Description : PBA HOLDINGS BHD. ("PBAHB" OR "COMPANY")
- WATER INTAKE FEE IMPOSED BY THE STATE GOVERNMENT OF PENANG

Announcement Details:

1. INTRODUCTION

The Company hereby announce that the total raw water intake fee incurred by the Company's subsidiary, Perbadanan Bekalan Air Pulau Pinang Sdn. Bhd. ("PBAPP") in the financial year ended 31 December 2025 was RM13,222,336. The raw water intake fee was calculated based on the annual actual water production volume in year 2025 at the rate of 3 sen per cubic meter ("cu.m") imposed by the State Government of Penang ("Water Intake Fee").

The above Water Intake Fee is regarded as recurrent related party transaction ("RRPT") pursuant to the Paragraph 10.09 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Listing Requirements") by virtue of the substantial shareholdings held by State Government of Penang through the State Secretary, Penang ("SSI") in the Company and the relationship between State Government of Penang and SSI. SSI is a major shareholder of the Company, holding 55% of the total issued shares of the Company as at 31 December 2025. The RRPT involves the payment of annual Water Intake Fee by PBAPP to the State Government of Penang, of which SSI is deemed to have an interest.

2. INFORMATION ON PBAPP

PBAPP was incorporated in Malaysia on 26 January 1999 under the Companies Act 1965, as a private limited company. The principal activity of PBAPP is to undertake the business activity of a water supply system which comprises abstraction of raw water, treatment of water, supply and sale of treated water to consumer.

As at the date of the announcement, PBAPP has a total issued share capital of RM322,536,898.90 comprising of 265,114,082 ordinary shares and 1 special rights redeemable preference share ("Special Share") of which PBAHB owns 100% of the ordinary shares and SSI owns 1 Special Share.

3. INFORMATION ON SSI

SSI is a body corporate incorporated under State Secretary Penang (Incorporation) Enactment, 1988. The beneficial owner of SSI is the State Government of Penang. SSI is empowered on behalf of the State Government of Penang to enter into contracts and to hold and enjoy movable and immovable properties of every description including power to sell, mortgage or otherwise dispose of any movable or immovable property vested in it upon such terms as it deems fit.

YB Dato' Seri Zulkifli bin Long, being a Director of both PBAPP and PBAHB, and the State Secretary of Penang State Government, is deemed interested in the above RRPT, has abstained and shall continue to abstain from all deliberation and voting at the Board of Directors' meetings in respect of the transaction(s) between the Group and the State Government of Penang.

In addition to the above, the Government Appointed Directors, namely YAB Tuan Chow Kon Yeow, YB Dato' Dr. Mohamad bin Abdul Hamid, YB Dato' Zabidah binti Safar, YB Tuan Zairil Khir Johari and Tuan Haji Fadzil bin Hj. Abdullah have abstained and shall continue to abstain from all deliberation and voting at the Board of Directors' meetings in respect of the transaction(s) between the Group and the State Government of Penang.

4. DETAILS OF THE RRPT

The above Water Intake Fee imposed by the State Government of Penang is pursuant to the power rendered to the State pursuant to Article 110 of The Federal Constitution. The said RRPT entered into between PBAPP and the State Government of Penang is revenue/trading in nature which is necessary for day-to-day operations and in the ordinary course of business on terms which are not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of PBAHB.

The Company had, on 31 December 2024, received a notification from the State Government of Penang dated 26 December 2024 informing that the Water Intake Fee shall be maintained at the rate of 3 sen per cubic metre, based on the annual actual water production volume, for the period from 2025 to 2028.

5. APPROVALS REQUIRED

The total Water Intake Fee of RM13,222,336 incurred by PBAPP was based on the annual actual water production volume in the year 2025 at the rate of 3 sen per cu.m imposed by the State Government of Penang. The value of RRPT has exceeded the prescribed threshold of 1% of the applicable percentage ratio as stated in the Listing Requirements but less than 5% of the applicable percentage ratio. Henceforth, the above Water Intake Fee is not subject to the approval of the shareholders and any other governmental authorities.

6. FINANCIAL EFFECTS

The RRPT will not have any effect on the total issued shares and shareholdings of the substantial shareholders of the Company. The RRPT is not expected to have any material effect of the net assets and the earnings of the Company for the financial year ended 31 December 2025.

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

Save as disclosed above, none of the Directors and/or substantial shareholders of the Company and the Group and/or persons connected to them have any interest, direct or indirect, in the above RRPT.

8. STATEMENT BY AUDIT COMMITTEE AND BOARD OF DIRECTORS

As the above Water Intake Fee is imposed by the State Government of Penang which is within the State's jurisdiction, Audit and Risk Management Committee and the Board of Directors of PBAHB (other than the interested Directors who have abstained from voting and deliberation), having considered the rationale for the transactions, are of the view that the above RRPT is necessary for the day-to-day operations of PBAPP.

This announcement is dated 3 March 2026.